

Message Text

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ACTION IO-14

INFO OCT-01 ARA-10 EUR-12 EA-10 NEA-10 ISO-00 AF-10
STRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08
FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00
NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01
TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15 AGR-01
/168 W

-----012773 032002Z /75

P 031853Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 1620
INFO ALL EC CAPITALS
AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY CAIRO
AMEMBASSY CANBERRA
AMEMBASSY HELSINKI
AMEMBASSY MEXICO
AMEMBASSY NEW DELHI
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO

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USMTN

USEEC

PASS STR ELECTRONICALLY
STR PASS CODEL

E.O.11652:N/A
TAGS: ETRD, MTN
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SUBJECT: MTN: SUBSIDIES/CVD - STATUS REPORT -
WEEK OF JUNE 28

REF: GENEVA 05679

1. SUMMARY: AFTER ONE WEEK'S WORK IN INFORMAL DRAFTING
SESSIONS WITH U.S., EC, CANADA, JAPAN AND NORDICS, GOOD

PROGRESS HAS BEEN MADE TOWARD DEVELOPMENT OF A COMMON TEXT
ON SUBSIDIES AND COUNTERVAILING AS A BASIS FOR NEGOTIATIONS.
END SUMMARY.

2. THE WEEK BEGAN WITH AN UNEVENTFUL 7 PLUS 7 MEETING.
U.S. (RIVERS), EC (ABBOTT) AND CANADA (AMB GREY) PROVIDED
A BRIEF OUTLINE OF IDEAS UNDER DISCUSSION. U.S. DEL
EXPRESSED HOPE THAT A DRAFT DOCUMENT COULD BE DEVELOPED AS
A BASIS FOR NEGOTIATION BY THE END OF THE WEEK. DEVELOPING
COUNTRIES (INDIA, BRAZIL, EGYPT, MEXICO, COLOMBIA) SPOKES-
MEN APPRECIATED THE BRIEFING, STRESSED THEIR VITAL INTEREST
IN SUBSIDIES/CVD, AND URGED DRAFTERS OF THE NEGOTIATING
DOCUMENT TO INCORPORATE SPECIAL AND DIFFERENTIAL TREATMENT
FOR LDC'S.

3. AGRICULTURAL SUBSIDIES: AUSTRALIA DISTRIBUTED ITS PRO-
POSAL FOR A CODE OF CONDUCT ON EXPORT SUBSIDIES ON PRIMARY
PRODUCTS (REFTTEL) AS A GATT WORKING DOCUMENT (MTN/NTM/W/
164). AUSTRALIA REP (RYAN) INTRODUCED PROPOSAL AS AN
ATTEMPT TO MAKE GATT ARTICLE XVI:3 RULES MORE EFFECTIVE,
BUT COULD NOT HIDE HIS SKEPTICISM FOR PROSPECTS OF SUCH
IMPROVEMENT. CANADA, U.S. AND ARGENTINA WELCOMED AUSTRAL-
IAN INITIATIVE, WITH AMB GREY REMARKING THAT THE CONCEPT
OF "SHARE OF INDIVIDUAL MARKETS" IS A "USEFUL" IDEA.

4. DRAFTING SESSION: REMAINDER OF WEEK WAS DEVOTED TO
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INTENSIVE DRAFTING SESSIONS AMONG THE U.S., EC, CANADA,
JAPAN AND NORDICS. DELS SHARED COMMITMENT TO MAKE BEST
EFFORT TO DISTRIBUTE A DOCUMENT BY THE END OF THE WEEK.
INITIAL PROGRESS WAS EXCRUCIATINGLY SLOW, INTRODUCING CON-
CEPTS TO NEW PARTICIPANTS (NORDICS, CANADA, JAPAN) IN
DRAFTING EXERCISE. NEW IDEAS WERE INTRODUCED AND SOME CON-
CEPTS WERE INCORPORATED FROM THE GATT ANTIDUMPING CODE.
WHILE WORK ON COUNTERVAILING DUTY SECTION WENT RELATIVELY
SMOOTHLY, DELS INSISTED ON BRACKETING LARGE PORTIONS OF
SUBSIDIES PROVISIONS. WHEN FOLLOW-UP SESSION REVEALED
LITTLE INTEREST IN REMOVING THESE BRACKETS, U.S. DEL (RIVERS)
INTERRUPTED DRAFTING SESSION AND EXPRESSED FRUSTRATION AT
THE INFLEXIBILITY OF OTHER DELS AT THIS LATE STAGE IN THE
NEGOTIATIONS. U.S. THREATENED TO CIRCULATE ITS OWN DRAFT
DOCUMENT, GIVING U.S. VIEW ON APPROACHES TO SUBSIDIES/CVD.
THE GROUP WAS CLEARLY TAKEN ABACK. JAPAN (UKAWA) SAID
THAT GOOD PROGRESS HAD BEEN MADE WITHIN THE WEEK AND THAT
UNILATERAL DISTRIBUTION OF ONE DELEGATION'S IDEAS CLEARLY
WOULD NOT ADVANCE THE NEGOTIATIONS. WITH CONTINUED WORK
THE FOLLOWING WEEK, UKAWA ANTICIPATES THAT A DOCUMENT
WOULD BE IN SHAPE FOR CIRCULATION TO ALL MTN PARTICIPANTS
AND BE A SOLID BASIS FOR NEGOTIATIONS. AFTER U.S. PROMISED

TO RECONSIDER AT END OF THE DAY'S WORK, DRAFTING PROCEEDED
MORE SWIFTLY WITH SOLUTIONS BEING FOUND TO ENABLE BRACKETS
TO BE REMOVED FROM SEVERAL KEY SECTIONS IN SUBSIDIES TEXT.
WORK WILL RESUME THE AFTERNOON OF JULY 4.

5. HIGHLIGHTS OF THE DISCUSSIONS IN THE DRAFTING SESSIONS
WERE AS FOLLOWS:

(A) AGRICULTURE: EC LODGED A GENERAL RESERVATION
STATING THAT THE EXTENT TO WHICH THIS ARRANGEMENT APPLIES
TO AGRICULTURAL PRODUCTS REMAINS TO BE SEEN, AND REITERATED
THIS RESERVATION IN THE SECTION REGARDING THIRD COUNTRY
SUBSIDIES;

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(B) EXPORT SUBSIDY LIST: KLEIN PROFESSED UNWILLING-

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INFO OCT-01 ARA-10 EUR-12 EA-10 NEA-10 ISO-00 AF-10
STRE-00 CEA-01 CIAE-00 COME-00 DODE-00 EB-08
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NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01
TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15 AGR-01
/168 W

-----012803 032005Z /75

P 031853Z JUL 78

FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 1621
INFO ALL EC CAPITALS
AMEMBASSY BOGOTA
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NESS TO DISCUSS THE LIST OF EXPORT SUBSIDY PRACTICES WITH-
OUT FIRST CONSULTING MEMBER STATES; KLEIN ASERTEED THAT
AGREEMENT ON THIS LIST IS NOT NECESSARY BEFORE JULY 15;

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(C) EC REITERATED ITS IDEA THAT CONCEPTS IN THE
ANTIDUMPING CODE (ADC) MODIFIED IN THE SUBSIDIES/CVD
ARRANGEMENT COULD ALSO BE INCORPORATED IN A REVISED ADC.
THE U.S. COULD THEN SUBMIT THE REVISED ADC IN ITS IMPL-
MENTING LEGISLATION AS PART OF MTN. U.S. SAID THIS WAS
"BEYOND THE PALE" AND CANADA, WHILE SYMPATHETIC WITH EC
IN PRINCIPLE, DISMISSED THE IDEA AS "EC PIETY".

6. DRAFTED BY WALLAR. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, SUBSIDIES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA10087
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780274-0555
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
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Message ID: b8bf7c7b-c288-dd11-92da-001cc4696bcc
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 5679
Retention: 0
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Review Event:
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Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2122884
Secure: OPEN
Status: NATIVE
Subject: MTN: SUBSIDIES/CVD - STATUS REPORT - WEEK OF JUNE 28
TAGS: ETRD, MTN
To: STATE USEEC
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/b8bf7c7b-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
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